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# REPORT OF THE COMPTROLLER GENERAL OF THE UNITED STATES

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## Audit Of The Senate Recording Studio Revolving Fund For Fiscal Year 1975

United States Senate

GGD-76-23

906604

NOV. 6. 1975



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-125079 *R*

*2* The Honorable William H. Wannall  
Sergeant at Arms  
United States Senate *RSN-5*

Dear Mr. Wannall:

*1* We have audited the Senate Recording Studio Revolving Fund for the fiscal year ended June 30, 1975, pursuant to your request dated June 9, 1975. *RSN 7*

GENERAL COMMENTS

*9* The Senate Recording Studio was established pursuant to the provisions of section 105 of the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 123b). The Studio, which is operated by the Sergeant at Arms of the Senate under the direction and control of the Senate Committee on Rules and Administration, makes film, video tape, and audiotape recordings for the Vice President and for Members and committees of the Senate. The prices to be charged for these services are set by the Committee on Rules and Administration. *S 3300*

*3* Studio operations are financed from a revolving fund and from funds appropriated to the Secretary of the Senate. *RSN 3*  
*3* All moneys received from operations are deposited into the revolving fund and are available for the operation of the Studio. Employee salaries and benefits and certain other operating expenses, such as utilities, are paid from appropriated funds. These payments are not recorded in the Studio's accounting records but are referred to in a footnote to the statement of revolving fund operations. (See sch. 2.)

FINANCIAL POSITION

A comparative statement of assets and liabilities of the revolving fund at June 30, 1975 and 1974, is presented as schedule 1. The following comments relate to items on that statement.

Accounts receivable

Accounts receivable amounted to \$57,100 on June 30, 1975.

The ages of the accounts receivable at June 30, 1975 and 1974, follow.

<u>Days outstanding</u>	<u>June 30, 1975</u>		<u>June 30, 1974</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
1 through 59	\$25,414	44.5	\$37,565	55.2
60 through 89	5,059	8.9	6,407	9.4
90 through 119	4,210	7.4	4,249	6.3
120 or more	<u>22,417</u>	<u>39.2</u>	<u>19,806</u>	<u>29.1</u>
Total	<u>\$57,100</u>	<u>100.0</u>	<u>\$68,027</u>	<u>100.0</u>

Although we did not confirm the accounts receivable directly with the individual Senators, we did employ alternative procedures to satisfy ourselves as to the validity of the outstanding balances. As of August 31, 1975, \$29,404 in open receivables had been paid. This represents 52 percent of the balance.

#### Equipment and furnishings

A summary of the changes in the equipment and furnishings account for the fiscal year ended June 30, 1975, follows.

	<u>Balance June 30, 1974</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 1975</u>
Motion picture	\$236,882	\$ 429	\$ 7,693	\$229,618
Radio	38,287	56,701	28,284	66,704
Video	<u>664,522</u>	<u>1,525</u>	<u>93</u>	<u>665,954</u>
Total	<u>\$939,691</u>	<u>\$58,655</u>	<u>\$36,070</u>	<u>\$962,276</u>

Equipment additions were as follows: a 16 mm. optical motion picture sound projector, four large pieces of recording equipment, two master reproducers with various attachments, and a video typer for teleprompter scripts. Included in disposals are equipment valued at \$8,739 written off as obsolete and equipment valued at \$27,237 traded in on the purchase of the new radio equipment.

#### OPERATIONS

A comparative statement of revolving fund operations for the fiscal years ended June 30, 1975 and 1974, is presented as schedule 2. Revenues exceeded costs by \$19,383 for fiscal

year 1975. The decrease of \$55,573 between fiscal years 1975 and 1974 resulted primarily from a \$74,179 decrease in total sales. Motion picture, radio, and video sales decreased \$23,238, \$10,873, and \$40,068, respectively.

SCOPE OF AUDIT

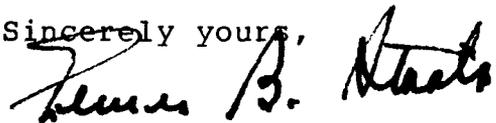
We made our audit in accordance with generally accepted auditing standards and included a review of the controls over equipment and inventories, an examination of selected financial transactions, and such other auditing procedures as we considered necessary.

OPINION ON FINANCIAL STATEMENTS

We prepared the accompanying financial statements from the Studio's accounting records. Employee salaries and benefits and certain other operating expenses were paid from appropriated funds and are referred to in a footnote to schedule 2.

In our opinion, schedules 1, 2, and 3, which were prepared on a basis consistent with that of the preceding year and in accordance with the financial arrangements described above, present fairly the financial position of the Senate Recording Studio Revolving Fund at June 30, 1975, and June 30, 1974, the results of its operations, and the changes in its financial position for the years then ended.

Sincerely yours,



Comptroller General  
of the United States

SENATE RECORDING STUDIO

REVOLVING FUND

COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES

JUNE 30, 1975 AND 1974

LIABILITIES AND CAPITAL

ASSETS

	<u>1975</u>	<u>1974</u>	<u>1975</u>	<u>1974</u>
<b>CURRENT ASSETS:</b>				
Cash (in U.S. Treasury)	\$ 623,360	\$ 545,870		
Accounts receivable	57,100	68,027		
Inventory of materials and supplies, at cost	32,552	35,229		
Work in process	594	622		
Total current assets	<u>713,606</u>	<u>649,748</u>		
<b>FIXED ASSETS:</b>				
Equipment and furnishings (note a)	962,276	939,691	183,619	183,619
Less accumulated depreciation	460,672	411,734	751	845
	<u>501,604</u>	<u>527,957</u>	<u>184,370</u>	<u>184,464</u>
New Studio facilities	531,896	531,896	1,410,313	1,335,619
Less accumulated depreciation	130,096	103,501	-	-262
	<u>401,800</u>	<u>428,395</u>	<u>19,383</u>	<u>74,956</u>
Tools and minor equipment	750	750	1,429,696	1,410,313
Total fixed assets	<u>904,154</u>	<u>957,102</u>	<u>1,614,066</u>	<u>1,594,777</u>
<b>TOTAL ASSETS</b>	<u>\$1,617,760</u>	<u>\$1,606,850</u>	<u>\$1,617,760</u>	<u>\$1,606,850</u>
<b>CURRENT LIABILITIES:</b>				
Accounts payable			\$ 3,694	\$ 12,073
<b>CAPITAL AND EXCESS OF REVENUE OVER COSTS:</b>				
Contributed capital			183,619	183,619
Standby equipment donated			751	845
Total			<u>184,370</u>	<u>184,464</u>
<b>Excess of revenue over costs:</b>				
Balance prior years			1,410,313	1,335,619
Prior year's adjustments			-	-262
Fiscal year			19,383	74,956
Total			<u>1,429,696</u>	<u>1,410,313</u>
Total capital and excess of revenue over costs			<u>1,614,066</u>	<u>1,594,777</u>
<b>TOTAL LIABILITIES AND CAPITAL</b>			<u>\$1,617,760</u>	<u>\$1,606,850</u>

a/The estimated value of equipment obtained from the General Services Administration at no cost and valued at \$751 for fiscal year 1975 and at \$845 for fiscal year 1974 is included in equipment and furnishings.

SENATE RECORDING STUDIO  
REVOLVING FUND  
COMPARATIVE STATEMENT OF OPERATIONS  
FISCAL YEARS ENDED JUNE 30, 1975 and 1974

	Total		Motion picture		Radio		Video	
	1975	1974	1975	1974	1975	1974	1975	1974
<b>REVENUE:</b>								
Sales	\$186,260	\$260,439	\$48,158	\$71,396	\$58,821	\$69,694	\$79,281	\$119,349
<b>COSTS:</b>								
Film, radio, and video materials	49,199	69,451	20,901	27,041	14,793	12,837	13,505	29,573
Maintenance and repairs	5,944	5,197	847	1,032	189	266	4,805	3,899
Maintenance supplies	599	-	155	-	244	-	255	-
Office supplies and expense	730	1,273	243	424	3,067	425	243	424
Depreciation of equipment	84,915	82,967	15,480	15,975	8,865	671	66,368	66,321
Depreciation of new Studio facilities	26,595	26,595	8,865	8,865	8,865	8,865	8,865	8,865
Loss on obsolete inventory	1,335	-	1,102	-	99	-	134	-
Total costs (note a)	169,317	185,483	47,593	53,337	27,549	23,064	94,175	109,082
Excess of revenue over costs or excess of costs over revenue (-) before gain on equipment disposal	16,943	74,956	565	18,059	31,272	46,630	-14,894	10,267
<b>GAIN ON EQUIPMENT DISPOSAL</b>	2,440	-	-	-	2,440	-	-	-
<b>EXCESS OF REVENUE OVER COSTS OR EXCESS OF COSTS OVER REVENUE (-)</b>	\$ 19,383	\$ 74,956	\$ 565	\$18,059	\$33,712	\$46,630	-\$14,894	\$ 10,267

a/Salaries of \$314,382 in fiscal year 1975 (\$283,895 in fiscal year 1974), employee benefits, and certain other operating expenses of the Studio have been paid from appropriated funds and are not included as expenses in determining the excess over costs of the revolving fund.

## SENATE RECORDING STUDIO

## REVOLVING FUND

## COMPARATIVE STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR FISCAL YEARS ENDED JUNE 30, 1975 AND 1974

	<u>June 30, 1975</u>	<u>June 30, 1974</u>
<b>FUNDS PROVIDED:</b>		
Sales	\$186,260	\$260,439
Gain on equipment disposal	<u>2,440</u>	<u>-</u>
Total funds provided	<u>\$188,700</u>	<u>\$260,439</u>
<b>FUNDS APPLIED:</b>		
Costs (excluding depreciation and other items not requiring outlay of funds)	\$ 57,808	\$ 75,248
Equipment additions	58,655	531
Increase in working capital	<u>72,237</u>	<u>184,660</u>
Total funds applied	<u>\$188,700</u>	<u>\$260,439</u>

Analysis of Changes In Working Capital  
Fiscal Year Ended June 30, 1975

	<u>Increase or decrease (-) in working capital</u>
<b>CURRENT ASSETS:</b>	
Cash	\$ 77,490
Accounts receivable	-10,927
Inventory of materials and supplies	-2,677
Work in process	<u>-28</u>
Net increase in current assets	63,858
<b>CURRENT LIABILITIES:</b>	
Accounts payable	<u>8,379</u>
Net increase in working capital	<u>\$ 72,237</u>